

Hearing Date and Time: October 17, 2012 at 2:00 p.m. (prevailing Eastern Time)
Objection Deadline: October 12, 2012 at 12:00 p.m. (prevailing Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 11
:
Residential Capital, LLC, et al., : Case No. 12-12020 (MG)
:
Debtors. : Jointly Administered
:
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**RESERVATION OF RIGHTS OF THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS WITH RESPECT
TO THE DEBTORS' MOTION TO APPROVE AMENDMENT
TO THE BARCLAYS DIP FACILITY AND FEES PAYABLE THEREUNDER**

TO THE HONORABLE MARTIN GLENN,
UNITED STATES BANKRUPTCY JUDGE:

The Official Committee of Unsecured Creditors (the "**Committee**") of the above-captioned debtors and debtors-in-possession (collectively, the "**Debtors**") hereby submits this reservation of rights (the "**Reservation of Rights**") with respect to the Debtors' Motion to Approve Amendment to the Barclays DIP Facility and Fees Payable Thereunder [Docket No. 1781] (the "**Motion**").¹ The Committee respectfully submits as follows:

1. By the DIP Amendment, the Debtors seek flexibility to (i) consummate the Legacy Portfolio Sale prior to the Platform Sale and (ii) implement the FHA/VA Loan Sales. Absent the proposed DIP Amendment, the Legacy Portfolio Sale and the Platform Sale are

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

required to close simultaneously and the Barclays DIP Facility would be paid down in full upon the closings.

2. The Committee generally supports the amendment so long as bifurcating the closings of the sales and allowing the FHA/VA Loan Sale does not inadvertently benefit one set of creditors over another as compared to the impact of the current projected paydown of the Barclays DIP Facility. The issue in large part stems from the complex nature of the Debtors' capital structure. Certain of the Debtors' assets serve as collateral for multiple facilities and thus the sequencing of sales may impact what value is available for junior creditors out of a given pool of assets.

3. The Committee has engaged in discussions with the Debtors on this issue and has been assured by the Debtors that in the event the closing of the Legacy Portfolio Sale is bifurcated from the closing of the Platform Sale, the sale proceeds will be applied in the same manner as if the sales close simultaneously. The Debtors informed the Committee that they will add a provision to the Proposed Order and address this issue on the record at the hearing to clarify this issue.

4. Accordingly, the Committee reserves all its rights with regard to the Motion, including the right to raise any objections or issues at the hearing.

Dated: New York, New York
October 12, 2012

KRAMER LEVIN NAFTALIS & FRANKEL LLP

/s/ Kenneth H. Eckstein

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